



April 12, 2024

ATA Comp Fund and Alliant Interstate Risk
Member Companies and Policyholders

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Audited Consolidated Financial Statements of the Alabama Trucking Association Workers' Compensation Fund and Alliance Interstate Risk Service (Consolidated Programs) for the year ended December 31, 2023. Our Auditors (Carr, Riggs and Ingram, LLC) conducted their audit in accordance with U.S. generally accepted auditing standards. Those standards require the Auditors to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Upon the completion of all necessary examinations of the evidence supporting the amounts included in these financial statements and assessing the accounting principles used and significant estimates made by management, the Auditors determined that their audit provided a reasonable basis for issuing their opinion. Their opinion concluded that these financial statements present fairly, in all material respects, the financial position of the Consolidated Programs as of December 31, 2023.

These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$92,639,846 set aside for future retrospective dividend credits to be refunded to active participating companies as directed by State Regulatory Requirements. Since inception of the Consolidated Programs, the total amount of retrospective dividend credits previously distributed back to participating companies is \$179,217,867. In addition, the Consolidated Programs will distribute back \$22,895,264 beginning January 01, 2024 to respective active participating companies with their 2024 calendar year renewals.

This report includes the overall operations of both programs, and the claims losses reflected in the Consolidated Statement of Income and Deductions includes loss reserves which are required to pay incurred but not reported (IBNR) losses. These IBNR loss reserves are established at levels recommended by our independent Actuarial firm (Casualty Actuarial Consultants) and approved by the Boards of each program. Our Actuaries recently completed their yearend loss reserve analysis update and have adjusted reserves based on the decreasing development trend of losses over our most recent years of operation. This trend is the direct result of aggressive and effective claims handling practices and our loss control and risk management practices within both programs. The combined overall operating profit for the year ended December 31, 2023 is \$32,638,597. With the conclusion of the 2023 calendar year, the Boards of both programs are pleased to report that we have continued our long standing profitable operating performance. The Boards wish to emphasize that their primary goals remain to protect the financial integrity of the Consolidated Programs while returning profits to our participating companies.

In closing, we always wish to take the opportunity to remind you that the best approach to curb increases in your company's operating expenses is to strive to maximize your company's emphasis on your claims reporting and handling procedures along with your loss control and risk management practices. Your efforts in these areas will directly increase the bottom line of your company. Please take advantage of the opportunity to contact our team members. Suzy Baker, our Director of Claims, along with Todd Hager, our Chief Operating Officer, will assist you with any claims related questions you may have. Don Anchors, our Director of Safety and Risk Management, Victor Whatley, our Regional Risk Manager, as well as our Risk Management Consultants, Candy Woodruff, MaryAnn Brown, Will Moses, Ray Hodge, Jason Brown, and Adam Tallmon will evaluate your company to develop a risk analysis plan, and implement safety procedures and training that can immediately reduce the losses occurring within your company, as we have done for many other companies in both our programs. We encourage you to contact us and take advantage of these resources, at no cost to you, and remember to always Work Safe / Work Smart.



BOARD MEMBERS

Susan Kirkpatrick, Chairman

ATA Comp Fund Trustee and AIR Board Director
Exec. Vice President/CFO, Buddy Moore Trucking, Inc.
P.O. Box 10047
Birmingham, AL 35202
Term: April 2020 – April 2023
(205) 949-3201

Fenn Church

ATA Comp Fund Trustee and AIR Board Director
President/CEO, Church Transportation & Logistics, Inc.
P. O. Box 65 □
Birmingham, AL 35201 □
Term: September 2021 – April 2024 □
(205) 925-1977

Drew Linn

ATA Comp Fund Trustee and AIR Board Director
President, Southland International Trucks, Inc.
P. O. Box 578
Birmingham, AL 35201-0578
Term: September 2021 – April 2024 □
(205) 942-6226

Harold Sumerford, Jr.

ATA Comp Fund Trustee and AIR Board Director
CEO, J&M Tank Lines, Inc.
1100 Corporate Parkway
Birmingham, AL 35242 □
Term: September 2021 – April 2024 □
(205) 876-1901

Chris Cooper

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
CEO, Boyd Brothers Transportation, Inc.
3275 Highway 30
Clayton, AL 36016
Term: July 2023 – July 2024 □
(334) 775-1200

Joe Black

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
Sales Manager, McGriff Tire Company, Inc.
86 Walnut Street NW
Cullman, AL 35055
Term: July 2023 – July 2024 □
(256) 739-0780

Mike Limbaugh, Vice Chairman

ATA Comp Fund Trustee and AIR Board Director
Owner, White Oak Transportation, Inc.
P.O. Box 876
Decatur, AL 35602
Term: April 2022 – April 2025
(877) 948-3625

Jay Cox

ATA Comp Fund Trustee and AIR Board Director
CFO, Gulf Distributing Holdings, LLC
3378 Moffett Road
Mobile, AL 36607
Term: April 2022 – April 2025
(251) 476-9600

Scott Smith

ATA Comp Fund Trustee and AIR Board Director
CEO, P & S Transportation, Inc. □
P. O. Box 8250
Ensley, AL 35218
Term: April 2020 – April 2023
(205) 296-9588 □

Mark Colson

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
President and CEO, AL Trucking Association
P. O. Box 2339
Montgomery, AL 36102-2339
Term: July 2023 – July 2024
(334) 834-3983

Tommy Neely

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
Owner, Ross Neely Systems, Inc.
P. O. Box 12345
Birmingham, AL 35202
Term: July 2023 – July 2024 □
(205) 798-1137



BALANCE SHEET

December 31, 2023

ASSETS

Assets:

Cash and Cash Equivalents	\$ 5,639,575.36
Prepaid Expenses and Deposits	418,017.86
Accounts Receivable (net of allowance)	25,577,100.01
Certificates of Deposit and Investments	149,078,611.36
Deferred Tax Asset (net of liability)	1,380,580.30
Building and Fixed Assets (net of depreciation)	<u>2,667,338.36</u>

Total Assets	<u>\$ 184,761,223.25</u>
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LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$ 5,529,708.22
Unearned Premium and Contributions	<u>1,771,557.90</u>

Total Liabilities	\$ 7,301,266.12
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Reserves:

Reserve for Aggregate Losses	\$ 10,179,125.61
Actuarial Reserves for Claim Losses	<u>74,490,575.46</u>

Total Reserves	84,669,701.07
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Members' Equity:

Investments Unrealized Gain/(Loss)	(\$ 4,849,589.74)
Retained Earnings	\$ 5,000,000.00
All Years Accumulated Dividends	<u>92,639,845.80</u>

Total Members' Equity	<u>92,790,256.06</u>
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Total Liabilities, Reserves and Members' Equity	<u>\$ 184,761,223.25</u>
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CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Twelve Months Ending December 31, 2023

Income:

ACF Contribution Income	\$ 43,795,121.58
AIR Premium	29,333,647.55
ACF / AIR Investment Income and Gain/(Loss)	7,744,906.49
ACF / AIR Other Income and Fees	<u>2,042,228.95</u>

Total Income \$ 82,915,904.57

Deductions:

Claim Losses:

ACF / AIR Incurred Losses (net)	<u>\$ 21,949,908.59</u>
Total Claims Losses	\$ 21,949,908.59

Operating Expenses:

ACF / AIR Administrative Expenses	\$ 7,830,592.21
AIR Administration Service Fees	7,678,166.21
ACF Brokerage Expenses	2,752,177.37
ACF Claims Service Fees	1,871,701.46
ACF Excess Insurance	3,476,507.30
ACF / AIR Professional Services	1,452,901.47
ACF / AIR Royalty Fees	<u>1,100,919.53</u>

Total Operating Expenses 26,162,965.55

Total Deductions \$ 48,112,874.14

Excess Income Before Income Taxes \$ 34,803,030.43

Provision for Income Taxes 2,164,432.98

Excess Income \$ 32,638,597.45

Increase In Retained Earnings 5,000,000.00

Excess Income Net Of Retained Earnings 27,638,597.45

Prior Years' Excess Income 244,219,115.75

Excess Income Before Retrospective Dividends Distribution \$ 271,857,713.20

Retrospective Dividends Distributed to Members 179,217,867.40

Excess Income Held for Future Retrospective Dividends \$ 92,639,845.80